



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 21 September 2011

14487/11

**Interinstitutional File:
2011/0006 (COD)**

EF 127
ECOFIN 608
SURE 24
CODEC 1490

REPORT

from:	Presidency
to:	Permanent Representatives Committee
No. Cion prop.:	5523/11 EF 6 ECOFIN 20 SURE 1 CODEC 75
Subject:	Proposal for a Directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority - General approach

I. INTRODUCTION

1. On 19 January 2011 the Commission transmitted to the Council its proposal for a Directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority (Omnibus 2).

2. The proposal has been examined by the Working Party on Financial Services at several meetings during the Hungarian and Polish Presidencies.
3. The European Central Bank adopted its opinion on the proposal on 4 May 2011¹, and the European Economic and Social Committee, respectively, on 5 May 2011. The opinion of the European Parliament's ECON Committee is still to be delivered.
4. In these circumstances the Presidency aims at an agreement on a general approach as soon as possible in order to start negotiations with the European Parliament with a view to a first reading agreement.

II. STATE OF PLAY

5. Following the work of the Working Party, there is now a qualified majority of delegations supporting the Presidency compromise as set out in doc. 14485/11 EF 126 ECOFIN 607 SURE 23 CODEC 1488.
6. There is nevertheless one issue still lacking unanimous support from delegations. It concerns the transitional measure set out in Article 308a(2) to phase in the rates of the relevant risk-free interest rate term structure to calculate the amount of assets to cover the technical provisions in accordance with the Solvency 2 regime. Currently the Presidency suggests a transitional measure over a phase-in period of 7 years. This transitional measure is disputed, with views ranging from, extending the phase-in period to 10 years, to full removal. The Presidency believes that the current compromise, which is supported by a qualified majority of delegations, achieves the best possible balance between the views expressed.

¹ 9928/11 EF 68 ECOFIN 254 SURE 9 CODEC 782

III. CONCLUSION

8. Against this background the Permanent Representatives Committee is invited to:

- agree on the general approach with regard to the proposed Directive, as set out in doc. 14485/11 EF 126 ECOFIN 607 SURE 23 CODEC 1488;
 - invite the Presidency to conduct negotiations with the European Parliament on the basis of this general approach with a view to reaching an agreement at first reading.
-